South Carolina
Office of Regulatory Staff

THE WATER WELLSPRING

A Flowing Source of Information for Water and Wastewater Utilities

Fall 2014

Tank Inspections Detect Leaks Early

Frequent tank inspections are recommended and should be conducted by the owner or an individual with expertise in this area. There are several signs to watch for when reviewing a tank for potential leaks. First, harsh weather or geological changes can cause stress, thus resulting in structural damage on a tank. Tanks can crack, and ladders, piping and other appurtenances can become damaged; any of these situations can result in uneven weight distribution and potential tank failure.

Second, inspect the foundation of the tank. If there are signs of cracking or settlement, it could be a sign of a leak and should be addressed immediately.

Third, corrosion can result when the coating deteriorates, which causes the steel of the tank to weaken and thin. Frequent checks for corrosion can maximize the life of the tank.

Finally, check valves, gauges and pipes for any malfunctions. A malfunctioning valve or an overloaded pipe can result in overpressure or overfilling in the tank. Most leaks occur at pipe connections. The connections should allow the pipe to contract and expand and should be checked for any cracks or damage.

Maintaining a log of informal inspections will help in the future when addressing other needs over the life of the tank.

Cite: Henderson, E. (2014, July). Do you have an early detection plan for tank leaks? *Journal Distribution Systems*, 64-66.

Stormwater Management

Stormwater transports pollutants to water bodies such as rivers, lakes, and streams. Stormwater runoff is rainwater or snowmelt that flows over land. Runoff can carry sediment and contaminants from streets, rooftops, and lawns to surface water bodies or can infiltrate through the soil to groundwater. Water utilities are reminded that these water sources are used for drinking water supply and must be protected as required by DHEC.

Keeping the Water Safe

James Salzman, a professor of law and environmental policy at Duke University and author of *Drinking Water: A History*, recently wrote an article titled "How Safe Is Our Drinking Water?" Salzman states that there are "…three broad classes of threats" concerning the safety of drinking water. Number one is the natural contaminates that plague fresh water and can result in deadly bacterial and viral outbreaks. Over time, there have been ways developed to disinfect the water and make it safer for drinking. However, operators must remain alert to proper disinfecting techniques and frequency. Too much or not enough of disinfecting chemical can result in disaster for a utility's water supply. Remain vigilant in daily inspections and in labs.

The second form of threat is the intentional attack on a water system. Salzman states that "poisoning the enemy is a long-standing military strategy." While there have been no immediate threats to the water systems, it is reassuring to know that even though the water supplies cannot be fully protected, it is very difficult to poison an entire body of water. According to Salzman, the "Department of Homeland Security keeps track of biological and chemical agents that might be used by terrorists, and these substances are not easy to come by in large quantities." It would take a sizable amount of poison to affect a body of water and the purchase of such product would raise a sense of caution for Homeland Security.

The third form of threat is from accidental spills into the water supply. Various hazardous materials can seep into the pipes and into the water mains. In addition, a good communication plan should be in effect to provide immediate information to the utility staff and the customers in the event of an emergency.

For access to the complete article, please go to:
http://www.slate.com/articles/health_and_science/science/2014/01/how_safe_is_our_drinking_water_threats_from_chemical_spills_pathogens_and.2.html

Cite: Salzman, J. (2014, January 1). How Safe Is Our Drinking Water? Retrieved September 3, 2014, from
http://www.slate.com/articles/health_and_science/science/2014/01/how_safe_is_our_drinking_water_threats_from_chemical_spills_pathogens_and.2.html

Sewer Bill Responsibility

SC Code Ann. Section §27-33-50 (2007) states in part that "unless otherwise agreed in writing, a tenant has sole financial responsibility for … [the utility] services provided to the premises the tenant leases and a landlord is not liable for a tenant's account." The law further states that a utility may not require the landlord to execute an agreement to be responsible for the charges billed to the premises leased by the tenant nor can the utility discontinue or refuse to provide service to the premises that the tenant leases based on the fact that the landlord refused to execute an agreement to be held responsible for the charges billed to the tenant leasing that premises. Further, the statute exempts from the requirements of this law a landlord whose property is a multi-unit building consisting of four or more residential units served by a master meter or single connection.

DHEC to Revisit Wastewater Facility Construction Regulations

DHEC proposes to amend R.61-67, *Standards for Wastewater Facility Construction*. The purpose of this amendment is to reduce unit loading flows in Appendix A by 25 percent based on the knowledge of water savings fixtures and improved designs of sewer collection systems. For ease of implementation, the loading was rounded to the nearest whole number. The proposed revisions also include the following: having a service connection definition similar to the definition for a drinking water service connection; reducing the number of plans and other documents that need to be submitted; streamlining industrial pump and haul operations; and allowing issuance of a treatment plant permit coincident with a discharge permit.

DHEC staff are requesting initial approval to public notice the proposed amendments in the State Register to provide opportunity for public comment and to conduct a staff informational forum. If approved a staff informational forum will be conducted on October 27, 2014; and a public hearing before the DHEC Board will be scheduled for December 11, 2014.

Please contact Jeff deBessonet, Director of DHEC Water Facilities Permitting Division, at 803-898-4157 with any questions.

ADJUSTING FOR "KNOWN AND MEASURABLE" CHANGES

When companies file for a rate adjustment, a "Test Year" is used as the basis for the financial information. The "Test Year" is a past consecutive 12-month period that shows the company's financial operating experience. Since the test year is historical data, companies will propose updates using accounting and pro forma adjustments that must be **<u>both</u>** ***"Known and Measurable."***

How do we define "Known"?

- Event has occurred
- Verifiable
- Certain to happen (by contract)

How do we define "Measurable"?

- Quantifiable
- Able to calculate
- Supported with valid data

What information is needed to support "Known and Measurable" adjustments?

- General ledger verification
- Invoice support
- Mileage logs
- Wage Statements

What are examples of "Known and Measurable" adjustments made to normalize the test year?

- Remove plant no longer used and useful
- Adjust revenues to reflect normal customer level
- Remove non-regulated and non-allowable expenses

Which of these can be "Known and Measurable" adjustments?

A. Annualized wage increase given during the test year
B. Plant completed at end of test year or shortly thereafter
C. Postage increase
D. Rate case expenses incurred and paid for a current case
E. All of the above

Answer: All of the above can be "Known and Measurable" adjustments with the appropriate supporting documentation.

If you have questions, please contact Jay Jashinsky (803-737-1984) or Sharon Scott (803-737-0964) of the ORS Audit Department.

THE WATER WELLSPRING

Published by the South Carolina Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201
Phone: (803) 737-0800
Fax: (803) 737-0801
Hannah Majewski, Editor
Willie J. Morgan, P.E., Co-Editor

Submit all articles or suggestions to: hmajews@regstaff.sc.gov

C. Dukes Scott, Executive Director
Nanette S. Edwards, Deputy Executive Director
Dawn M. Hipp, Director of Consumer Services, Transportation, Water/Wastewater
www.regulatorystaff.sc.gov